



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 18, 2010

John Spencer
Simplot Phosphate, LLC
9401 North Highway 191
Vernal, Utah 84078-7802

Subject: Review of Partial Bond Release, Simplot Phosphate, Vernal Phosphate Operation, M/047/0007, Uintah County, Utah

Dear Mr. Spencer:

On May 20, 2010, we received your request for a partial release of the reclamation surety for the Vernal Phosphate Operation. Before the Division can process this request, you need to provide the following information regarding the reclamation work that was completed:

1. Update Bond Calculation Spreadsheet, as per request in May 5, 2010, letter, including escalation to year 2015.
2. Revised map that can be tied to the Bond Calculation Spreadsheet and bond release application. Include grayed out topographic contour. Please review acreage figures.

Once the Division receives this information, we will proceed with processing your request as discussed in the attached inspection report. **Please provide the information requested above by September 30, 2010.** If you have any questions or concerns regarding this letter, please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257. In response, please reference our file number S/047/0007 regarding this project.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:lah:pb

Attachment – Inspection 06-16-2010

Cc: BLM – Stan_Perkes@blm.gov

P:\GROUPS\MINERALS\WP\M047-Uintah\M0470007-Simplot\final\DENY-3558-08122010.doc





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Inspection Report Minerals Regulatory Program August 10, 2010

Reviewed: 

Mine Name: Vernal Phosphate Operation	Permit Number: M/047/0007
Operator Name: Simplot Phosphates LLC	Inspection Date: June 16, 2010
Inspector(s): L Heppler	Time: 11:00 am
Other Participants: John Spencer	Mine Status: Active

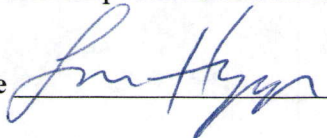
Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Bond Renewal Date: 06-20-2010 **Bond Amount:** \$4,829,000 **Permit fee:** paid for 2010

Purpose of Inspection: Routine annual Inspection and Operator requested a bond release. This site was last inspected as a large mine site on 09/17/2008

Inspection Summary: Inspection was limited to the reclaimed areas that were requested for a bond release. All areas that were backfilled and graded are in good condition and blend with the natural landscape. Several small drainage areas that had been for previously noted erosional problems had been recently done with a course riprap. Upper most portion (northern) requested for bond release had dominantly Russian Thistle and can not be released as a "Full Release for a portion of the mine" due to lack of vegetation. Tamarisk has been eliminated in the wetland area, but several dozen were noted along the haul road. Photos were taken to document site conditions.

Conclusions and Recommendations: The Division requests the Operator to eliminate the few remaining Tamarisks on the site. The Division requests that the map submitted with the Site and/or Bond Release application follows the categories on the application. The bond is past due for escalation and the bond calculations need to be moved into the Divisions new spreadsheets. Map submitted for bond release has a few errors in acreage calculations and needs to be checked. OGM to continue annual inspections and monitor the site when in the area.

Inspector's Signature 

LAH:vs

cc: John Spencer

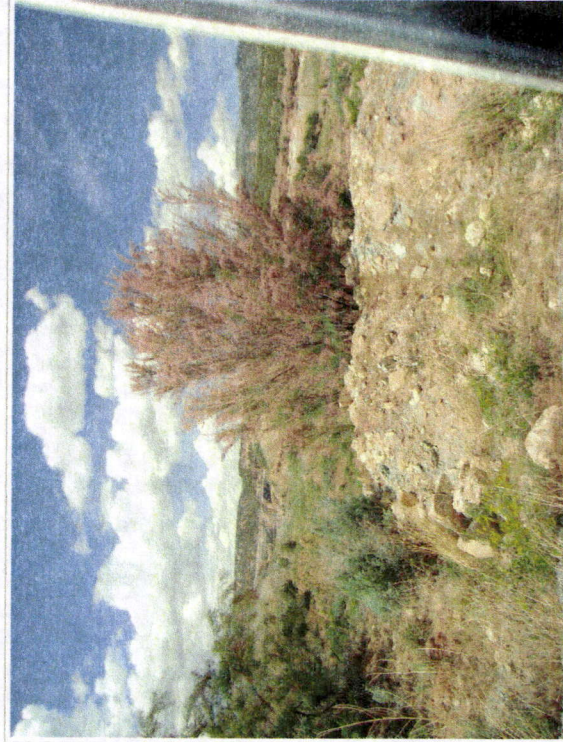
BLM - Stan_Perkes@BLM.gov

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Wetland area



Tamarisk – to be eliminated



Sweet Clover



Upper 1/3 of site requested for release dominated by Russian Thistle